



DEPT. OF TRANSPORTATION
DOCKETS

02 OCT - 1 PM 12:23

Chairman
T. ELLIOTT
Honda

September 30, 2002

President
T. MacCARTHY

The Honorable Jeffrey W. Runge, M.D.
Administrator
National Highway Traffic Safety Administration
400 Seventh St., S.W.
Washington, D.C. 20590

MEMBERS

Honda

Hyundai

Isuzu

Kia

Mitsubishi

Nissan

Saab

Subaru

Suzuki

Toyota

ASSOCIATES

Aston Martin

Bosch

Denso

JAMA

Peugeot

Renault

Re: Docket No. NHTSA-2002-12150 -32
Confidential Business Information, 49 CFR Part 512

Dear Dr. Runge:

The Technical Affairs Committee of the Association of International Automobile Manufacturers, Inc. (AIAM)¹, provides the following supplemental comments related to NHTSA's April 30, 2002, notice of proposed rulemaking on confidential business information. On June 18, 2002, AIAM requested that NHTSA extend the deadline for submitting comments on the confidentiality proposal. The reason for our request was that the early warning reporting final rule under the TREAD Act had not been issued by that date, yet the early warning reporting requirements are related in important ways to the confidentiality amendments. In a June 21 response to our letter, you denied AIAM's request for an extension, but stated that interested parties may submit supplemental comments after the comment closing date for the confidentiality matter. This letter responds to your invitation.

In our July 1, 2002, comments on the proposed amendments to the Part 512 regulations, we pointed out the potential harm that could result to companies if early warning reports were disclosed to the public. This substantial harm would result from the comprehensive nature of the early warning reporting requirements. As we noted in those comments, the competitive value of individual items of early warning information may not be great, but the comprehensive nature of the reported information could enable a competitor to piece together a "mosaic" that would provide useful information regarding the submitter's quality level and cost structure.

¹ AIAM Technical Affairs Committee members are American Honda Motor Co., American Suzuki Motor Corp., Hyundai Motor America, Isuzu Motors America, Inc., Kia Motors America, Saab Cars USA, and Subaru of America. Associate members include Aston Martin Lagonda of North America, Inc., Denso International America, Inc., Peugeot Motors of America, Renault, SA, and Robert Bosch Corporation.





The July 10, 2002, early warning final rule emphatically confirmed that manufacturers would be required to report comprehensive data that would be of value to competitors. Perhaps most significantly, the early warning reports must include comprehensive warranty claim data, including data based on extended warranties and good will repairs. The warranty claims reporting requirements were adopted by the agency notwithstanding several comments from manufacturers that pointed out the limited value of this information in making defect determinations. Moreover, the early warning final rule contained elements that expanded the comprehensive nature of the required reports beyond the level that we anticipated based on the agency's proposal. Some of these elements in the early warning final rule are the elimination of the proposed \$1000 threshold on property damage claims (see 66 Fed. Reg. 66201, December 21, 2001, and 67 Fed. Reg. 45846, July 10, 2002), the inclusion of emotional injury claims (67 Fed. Reg. 45840), and the inclusion of certain environmental injury claims (67 Fed. Reg. 45836). These expanded elements make our concerns regarding the potential competitive harm resulting from release of the information even stronger.

Our review of the early warning final rule leads us to conclude that the required reports will be extremely comprehensive in nature, in some cases even more comprehensive than what was suggested in the proposed rule. The comprehensive information would enable sophisticated analysts to draw manufacturer-to-manufacturer comparisons of claims experiences. From these comparisons, companies could draw conclusions as to the effectiveness of competitors' vehicle and production technologies, without having to engage in the cost and risk of investigating such technologies. The comparisons also enable an assessment of the portion of product cost that is attributable to claims, giving a competitor useful insight into the submitter's cost structure.

We appreciate the opportunity to provide these supplemental comments. If you have any questions on this matter, please contact me at 703/247-2105.

Sincerely,

A handwritten signature in black ink that reads "Michael X. Cammisa". The signature is written in a cursive, flowing style.

Michael X. Cammisa
Director, Safety